

TOWN OF SHEFFIELD
SOLID WASTE TASK FORCE
REPORT ONE
Written by Greig Siedor

REPORT OF SHEFFIELD SOLID WASTE TASK FORCE TO SHEFFIELD BOARD OF SELECTMEN

JANUARY 21, 2010

The Sheffield Solid Waste Task Force (Task Force) hereby presents its final report to the Board of Selectmen, in response to the charge given to the Task Force on September 8, 2009. The report is divided into the following sections:

- I. Introduction
- II. Discussion of options for Sheffield's future management of solid waste
- III. Recommendations and suggestions
- IV. Need for additional education of users of Transfer Station

I. Introduction

The Task Force has met from September, 2009 to January 2010. With the very valuable assistance of Town Administrator and Assistant Administrator and the staff of the Sheffield Transfer Station, members have gathered a great deal of information about the recent history of funding for and expenses of the Transfer Station, as well as how other, comparable towns deal with solid waste disposal. In view of the serious and significant opposition to the Town's proposed "Pay as You Throw" (PAYT) introduced earlier in 2009, it was plain to members that many Sheffield residents consider the topic of solid waste disposal as important, but also that there was no one set of beliefs about how best to provide and pay for that necessary service. The Task Force's own deliberations were vigorous and wide-ranging, covering a variety of options for solid waste disposal. The Task Force understands that no one set of recommendations will be satisfactory to all citizens of the Town, but has concluded that the recommendations submitted herein should serve the Town well.

Section II of this report discusses at some length the various options discussed by the Task Force, while Section III covers the Task Force's recommendations to the Board of Selectmen. However, the Task Force also reached several preliminary conclusions that are independent of these recommendations and which it asks the Board of Selectmen to consider independent of the recommendations in Section III.:

- a. In no case should the Town close the Transfer Station to Town residents. The Task Force believes townspeople regard the Transfer Station as an important town function which should not be eliminated. In addition, the Task Force recommends the continuation of such services as the collection of bulky waste, fluorescent bulbs and other electronic wastes, as well as the so-called "gift shop."
- b. The Task Force does not support adopting a program of requiring residents to hire a private hauler. Conversely, the Task Force does not support abolishing private hauler operations (which are not allowed to use the Transfer Station) in Sheffield, provided that those haulers abide by Sheffield's regulations, especially with regard to recycling.
- c. The Task Force believes the current Enterprise Fund should be retained and that no subsidies be provided by the Town for the management of wastes. The method of

funding waste disposal should cover all the costs of managing the Town's solid wastes. Putting the service of waste collection/disposal as a Town service would exceed the levy limit under Proposition 2 ½.

- d. The budgeting process for the Transfer Station needs to include funding for future **capital needs**. Should the Transfer Station achieve a surplus (as it has in the past), such surplus should be returned to Transfer Station users, but only after appropriate capital needs are set aside.
- e. The Town needs to keep track of changes to state legislation regarding bottle and other deposits. Currently, the Kiwanis Club recycles containers on which Massachusetts has established a deposit and uses the funds for useful purposes. The Task Force recommends this practice continue. However, if the scope of containers on which deposits are collected increases, it may be fairer to Transfer Station users for the Town to collect the deposits.
- f. The discussion below deals exclusively with **solid wastes**, not **recyclable materials**. The Task Force believes the current Transfer Station recycling program should be continued and (as will be clear from the last section of this report) urges additional efforts to educate residents on the financial value of recycling.
- g. To the extent that the Board of Selectmen change the current system of managing solid waste, it needs to keep its eyes on how the changes are working and make speedy adjustments to fix any problems that crop up.
- h. Finally, the Task Force strongly recommends that, whatever final decision is made by the Board of Selectmen regarding future management of solid waste in Sheffield (including keeping the status quo), the Board engage in significant educational efforts regarding the decision, both in writing and in public meetings. Members of the Task Force will make themselves available to support those efforts.

II. Options for Sheffield's Future Management of Solid Waste

Early in its deliberations, the Task Force identified a large number of options for further study, research and discussion:

- A. Keeping the current system of annual stickers
- B. Adopting a PAYT method for charging for waste disposal. (This option included both charging by the task bag and charging by weight.)
- C. A combination of PAYT and stickers.
- D. Examining ways to reduce operating costs.
- E. Subsidizing Transfer Station operations with taxes.
- F. Providing relief for lower-income families.
- G. Tougher enforcement of current Transfer Station rules.

The Task Force came to the conclusion that it could best meet the Board of Selectmen's charge by focusing its attention on the **first three** of these topics. However, as you will see, some of the others are subsumed in the discussion of these three.

A. Keeping the Current System

One option the Task Force considered was retaining the current sticker program as is. Doing so has both advantages and disadvantages. Retaining a "pure" sticker program means users do not have to become accustomed to a new way of paying for waste disposal – the education process for this option would be much simpler. While

there have been significant increases in the cost of a sticker during the past several years, FY 2010 data show that the Enterprise Fund is collecting enough to cover expenses, so there may be no need for further increases. In short, the current system is not demonstrably “broken,” so there is no pressing need to “fix” it.

In addition, it is apparent that some Sheffield residents may be disposing of trash at the Transfer Station without paying for a sticker. FY2010 sticker sales information reveals that a little over 50% of Sheffield households purchased stickers while approximately 20% of Sheffield residential property owners elected to employ one of the several private haulers licensed to pick up trash in this town. An additional 5-6% may have some other legally acceptable means for their trash disposal. There remains a group of approximately 20% of Sheffield households who have not responded to inquiries concerning their trash disposal.

The Task Force is aware of credible accounts indicating that trash is disposed of by ad hoc waste haulers from some households which have not purchased a sticker. Greater efforts to enforce appropriate usage of the Transfer Station (either by Transfer Station staff or the Town itself under Article II, Sections 176-6 and 176-8, or both) may increase sticker sales, leading to a decrease in the price of a sticker.

Operationally, a fixed rate sticker only scheme is easiest and fastest since transfer station employees need not examine bags or weigh bags which are used for disposal. This leads to better traffic flow and greater efficiency. Additionally, the station’s employees have more time to assist, educate and advise users as to recycling.

Retaining the current program is not perfect, however. As is discussed more fully below, it fails to account for variations among users in the amount of waste they deliver to the Transfer Station. To the extent that one believes that “consumption” of waste services should affect the amount paid for those services, the current system fails. The current system’s reduced sticker price for senior citizens (who are more likely to live in one- or two-resident households) ameliorates this problem. But there are likely others who also produce less waste who must pay for the full-priced sticker. Persons who go out of their way to generate less trash (e.g., those who use a composter) are penalized by a flat-fee sticker. While FY 2010 revenues from sticker sales are enough to cover expenses, there is no guarantee future sales will be adequate without further increases, especially if sales continue to decline (as they have in the recent past). Exacerbating this problem is the fact that it is impossible to change sticker prices “in mid-stream” if they prove to be too high or too low. In an extreme case, it might be necessary for the Town to provide supplemental funding if the Enterprise Fund runs out of cash.

B. PAYT as the Means to Pay for Waste Disposal

A second option is to adopt PAYT. Put simply, PAYT is a method of paying for waste disposal by charging the disposer by some unit of measurement, instead of a flat fee for disposal without regard to the amount disposed of (as Sheffield’s current system provides). The Task Force considered two such methods: **a per-bag charge** and **a per unit-of-weight charge**. Each has pros and cons.

1. A **per-bag system** involves the sale of two specific sized plastic bags to users of the Transfer Station. The price of the bags would be set so as to recover the **total** cost of managing the Transfer Station. Bags are available from a state contractor and would be distributed by Town officials to local retail outlets (in Sheffield and, possibly, in neighboring towns) for sale to consumers. In addition, the Town could also sell bags at Town Hall. Bags would be marked in a unique and easily viewed way, so that attendants at the Transfer Station would be able to enforce easily the prohibition on disposal of any other bags. In order to accommodate the range of needs of consumers, different sized bags could be sold at different prices.

This system carries the advantage of requiring the consumer of waste disposal services to pay for the cost of managing his/her wastes **only**. The more wastes disposed of, the more the individual pays. In short, just as persons in our society pay for other needs (e.g., food, fuel, electricity) strictly on the basis of how much they consume, users of the Transfer Station would pay for only the amount of their “consumption” of waste services. In addition, providing for different sized bags would allow some citizens who generate little trash to pay even less. (In this regard, the Task Force considered whether it might be possible to sell only **large** bags. The person who creates only small amounts of waste could simply wait until a bag was full before bringing it to the Transfer Station. But the Task Force ultimately concluded this might pose an unfair burden on this person, especially during the summer months, when the long wait might lead to an odor problem.)

A PAYT system will avoid the difficulty for some users of having to pay the entire year’s cost of waste disposal in one lump sum, upfront payment, by allowing them to spread the cost of disposal over the entire year. Some users have expressed concern about the difficulty of making the one-time payment, which last year was \$193.

An additional advantage of the PAYT system is relative ease of enforcement. There is strong circumstantial evidence that some persons are taking unfair advantage of the current system by bringing wastes from a number of unrelated families in a single vehicle with only one sticker. While Transfer Station staff could be asked to be more vigorous in preventing such abuse, the Task Force does not believe doing so is entirely fair to the staff. The PAYT system eliminates any incentive for ad hoc waste haulers to use the Transfer Station as a means of disposing of multiple families’ wastes.

While not entirely certain, it seems at least possible that a PAYT program would increase recycling rates, since it would be in the consumer’s interests to put as much as possible into recycling. However, the evidence available from the experience of other towns with PAYT is inconclusive and, hence, the Task Force has not placed any stock in recycling rates going up with a PAYT system. It should be noted that, if the recycling rate does go up, the reduction in trash and garbage will have a positive, indirect impact, in lower emissions from incinerators, the harvesting of fewer trees (from greater recycling of paper), less use of energy to produce virgin materials as opposed to using recycled materials.

It is possible to use existing information to develop a bag price. Over the past three years, the volume of trash disposal disposed of at the Transfer Station has been relatively steady. Other PAYT programs have estimated that a 30 gallon bag (a frequently used bag size) holds 20-30 pounds of trash. Sheffield could presume it will sell in a year XXXX bags (based on YYY tons of waste received) and price each bag to recover the costs of operation. To the extent that the Town misestimates the appropriate price for a bag, bag prices can be relatively quickly changes to

accommodate the new data. (However, as discussed below, changing prices introduces its own problems.)

However, PAYT has its disadvantages. Large families with limited incomes may find their total costs of disposal going up in comparison to the current system. The Task Force has discussed ways to address this concern (lower prices for the first few bags sold in a given period, subsidies for persons/families who apply and demonstrate need), but all involve additional bureaucracy. If the amount paid is independent of weight, some persons may try to put more than the assumed average of 20-30 pounds per bag. Additionally, estimating the numbers of bags that need to be sold to match the costs of managing the wastes received by the Transfer Station may be very difficult. If adopting a PAYT system results in the loss of significant numbers of users, the revenues from the remaining customers of the Transfer Station may be too low to cover expenses. Conversely (although less likely), setting a price that is too high could result in unduly large surpluses being accumulated. This problem arises because the revenue from the sale of bags will be covering both variable costs (e.g., the charges for disposal at a landfill or incinerator) as well as fixed costs (e.g., the wages paid to Transfer Station employees). One possible solution would be to keep a sharp eye on revenues vs. expenses and adjust the prices of bags as needed. But this could introduce some confusion and frustration into the program (someone buying bags at \$3 each one week might not want to learn that they cost \$2.50 the next week.)

It is also possible that a PAYT system may result in part-time residents paying less than their current share of disposal costs. Eliminating an annual sticker fee (which applies regardless of the amount of trash disposed of) will mean that such residents will likely pay less because they dispose of less over the course of a year. It can be argued that part-time residents should pay less, if they “consume” less. But, part-time residents pay the same taxes to the Town as full-time residents, even though they often use fewer Town resources than full-time residents do.

The Task Force has other concerns with the PAYT concept. Bag vendors need to be recruited; there is some anecdotal evidence that some customers of local businesses have suggested they would cease doing business with any vendor selling bags. More generally, some local vendors may seek to be compensated for selling bags. In addition, unless the Town expects the vendors to pay in advance for bags, there is some risk that vendors may not remit funds from bag sales, or will do so late. It is also possible that more residents will respond to PAYT by simply throwing their trash on the side of the road, rather than buy bags, although there is little evidence of that occurring elsewhere. Finally, it is possible under a strict PAYT for non-residents to purchase bags and dispose of their wastes at the Transfer Station. If the per-bag price covers the marginal cost of managing a bag of waste, this issue may not be overly problematic, although a significant increase may adversely affect managing the Transfer Station.

One last point: PAYT pricing (whether on a bag or weight basis, discussed below) should be set so as to allow for the continuation of special programs presently offered by the Transfer Station - bulky waste disposal and hazardous waste disposal – as well as cover the cost of managing recycled materials.

2. An alternative to the per-bag PAYT system is **PAYT based solely on weight**. In short, each user of the Transfer Station would pay for disposal on the basis of **how much their trash** weighs. A per unit-of-weight PAYT program has some of the same advantages of the PAYT bag system. It also charges for disposal on the basis of specific use and eliminates any incentive for the “bag stuffer.” Residents would not need to buy bags from local vendors (meaning the Town wouldn’t have to buy bags and supply them either), but could use any

containers they wanted. The small waste generator would not have to wait until his/her bag was full to get rid of wastes.

But the weight program has disadvantages. Low income, high usage families may still pay more than under the current program. The Transfer Station would have to install scales, an unbudgeted capital expense. If the weigh station breaks down, it is uncertain what alternative system could be used while repairs are effected. Weighing trash will likely be time-consuming. (The Task Force has some evidence that using the Transfer Station now can take what some perceive to be an inordinate length of time; having to weigh each bag will add to those delays.) In addition, the Town would have to set up some method of enabling users to pay for disposal of given weights of trash - prepaid tickets seem to be the best alternative. (The Task Force strongly discourages any program of having consumers pay cash to attendants at the time of disposal.) As with a bag system, the Town will have to estimate an appropriate per-pound price that will recoup expenses. Most of the uncertainties of the per-bag system will apply to a per-weight program.

C. Combining PAYT With A Sticker Program

The Task Force has also considered a combination of PAYT with stickers. Under such a combination, the per unit cost (weight or bag) could be set to cover variable costs (primarily the cost of disposing trash), while sticker price would cover fixed costs. One consequence would be, of course, that the per-unit price would be lower than under the “pure” PAYT program. The advantage of the combination is in allowing easier and more accurate estimates of prices. The Town will still have to estimate the number of sticker purchasers in order to know how to price those stickers. But the variable cost factor is much less problematic, as the number of bags (or pounds) of trash will track the variable costs of disposal. Put another way, if the Town sells fewer bags, it will be receiving less waste, for which disposal will be less expensive. In short, pricing estimates will be less uncertain.

The previously mentioned advantages and disadvantages of PAYT will still apply to this combined system, although to a lesser extent. Persons who generate less waste will now pay more per unit of waste disposed of than those who throw away more waste, as sticker fees will be uniform, but the PAYT component will ease that disparity. The impact of PAYT on lower income families will consequently be less. The incentive for the disguised “private hauler” to dispose of wastes from unrelated families will still remain, albeit less so.

III. Need for Educational Efforts

Regardless of what the Select Board decides with regard to the proposed changes in the operation of the Town’s solid waste disposal program discussed in this Report, the Task Force agrees that a **successful** roll-out of any changes will require an accompanying educational program.

The Task Force recommends that program include the following elements:

1. A **detailed** description of how customers will pay for disposal of solid waste under any new program (including when the new program will begin).
2. An explanation of why this new system is expected to be more cost-effective and fairer than the current system.

3. A discussion on how the Town will keep a close eye on whether the new cost system is working and, if necessary, will amend it (or even restore the previous system).
4. A series of one or two public meetings (one to be held during daytime hours to accommodate persons who may not be able to make a meeting in the early evening) sponsored by the Select Board to give residents a chance to hear how the new system will work and address concerns, questions, criticisms, etc. It may be useful to have members of the Task Force present to provide background on any changes the Task Force recommended to the Select Board

Even if the Select Board makes no changes, the Task Force recommends additional informative efforts be made. In its own deliberations, the Task Force discovered that its own members were unaware of steps they personally could take to reduce costs. Two examples: the cost to the Town of transporting recyclables is dependent on the volume of such materials carried, not on weight. Therefore, it is in residents' interests to reduce that volume for certain types of materials. For example, plastic jugs can be "squashed" flat and thus take up less room. A Task Force member's recent visit to the Transfer Station showed that well over half of the gallon milk jugs in the recyclables bin were not flattened.

However, as another Task Force member learned only during meetings of the Task Force, other recyclables, such as glass containers, should **not** be broken to reduce volume, as doing so may increase cost. Rather, they should be disposed of **intact**, with caps in place.

Finally, although the Task Force is aware that the Town has provided information to customers on the value of diverting recyclable materials from their solid waste stream, it nonetheless suggests such educational efforts be repeated on a regular basis, with a particular focus on how these steps can reduce the customer's costs of disposal.

The Task Force therefore recommends that, after the Select Board makes its final decision on how to manage disposal at the Transfer Station, it send to all residents (perhaps in a tax bill or some other mailing) a booklet that describes any changes made and that discusses how residents can manage their solid waste and recyclables so as to reduce overall cost to the Town. This booklet should be available at the Library, Town Hall and offered to customers coming to the Transfer Station for several weeks following implementation of the changes. In addition, a sign summarizing cost-saving steps could be erected in a prominent place at the landfill.

TOWN OF SHEFFIELD
SOLID WASTE TASK FORCE
REPORT TWO

Written by Marcia Friedman, Fred Panitz, Ted Pitman, Peter Stiglin

TO THE BOARD OF SELECTMEN, TOWN OF SHEFFIELD

JANUARY 22, 2010

Dear Ms. Hannum, Mr. Macy, Ms. Wood:

In response to the charges laid out before us regarding the Transfer Station, the members of the Sheffield Solid Waste Task Force worked conscientiously over a four month period, meeting almost weekly.

The issues are numerous and complex, and the options many. Unfortunately, we were unable to reach a consensus in our final meeting on a single recommendation to the Town. Thus three separate reports are being issued and conveyed to you. The first, from Bart Elsbach, deals with an option the Task Force chose not to consider – that of hiring a single hauler for the entire town. The second, largely drafted by Greig Seidor, deals with many pragmatic issues. The third, the attached draft, chose a different format, and includes much of Greig's work that we agreed with, as well as significant additional contributions from Marcia Friedman, Fred Panitz, Ted Pitman, and Peter Stiglin.

It is this third draft that received the largest number of Task Force member signatures.

We all thank you for your Herculean efforts in behalf of the Town, and for the confidence you have shown in us.

With continuing high regard,

Peter Stiglin
Sheffield Solid Waste Task Force Member

**REPORT OF SHEFFIELD SOLID WASTE TASK FORCE TO THE
SHEFFIELD BOARD OF SELECTMEN**

JANUARY 22, 2010

Members of the Sheffield Solid Waste Task Force hereby present a Final Report to the Board of Selectman, as requested, and in response to the following charges given by the Board on September 8, 2009:

- I. Analyze past usage patterns of the Transfer Station and gain an understanding of who uses the system and the Town's needs for trash disposal.
- II. Examine and research the Enterprise system of funding solid waste disposal. Make recommendations as to whether the system is appropriate for such purpose.
- III. Research systems of paying for solid waste disposal, which are fair, equitable, usage-based, and support/encourage recycling. Your research should include an analysis of fixed-price, PAYT, weight-based, and/or other systems as appropriate. Recommendations should be based on the pluses and minuses of

each examined system as well as implementation and operational considerations.

- IV. Examine and research the Town's recycling efforts as well as those of other communities, and make recommendations on how the Town's efforts can be improved.

The Task Force, made up of volunteers appointed by the Board, and aided by the Town Administrator and Assistant Administrator, met almost weekly from September 2009 to January 2010. For no reason but time limitation, the Task Force was unable to address all charges as vigorously as some, but we will attempt to address each to the degree possible in this final report, making recommendations as we go. To wit:

- I. **Analyze past usage patterns of the Transfer Station and gain an understanding of who uses the system and the Town's needs for trash disposal.**

Information regarding many specifics of past Transfer Station usage requested was not readily available, being not computerized for the specific purpose of comparison.

The need for a Sheffield Transfer Station, however, is evidenced by the number of users willing to pay the high sticker fee of \$193 in FY10, and the amount of trash and recyclables collected over the three previous years we analyzed.

RECOMMENDATIONS:

- a. In no case should the Town close the Transfer Station to Town residents. The Task Force believes townspeople regard the Transfer Station as an important town function which should not be eliminated.
- b. The Task Force recommends the continuation of such services as the collection of bulky waste, fluorescent bulbs and other electronic wastes, as well as the so-called "gift shop." However, thought might be given to the collection of such items as a potential revenue source, as occurs in many other towns. (See attachment 1.)
- c. Going forward, a more comprehensive database should be established for the Enterprise Fund, clearly tracking usage, revenue by source, and actual costs by line item. This will not only create transparency in accounting for Sheffield's citizens, but will be helpful in implementing future cost-saving measures and calculating future-year budgets.

- II. **Examine and research the Enterprise system of funding solid waste disposal. Make recommendations as to whether the system is appropriate for such purpose.**

The stated reason for the existence of the Enterprise Fund is Proposition 2 ½, which limits the amount of the annual property tax increase. Since the Transfer Station is not provided as a public service but as a fee-based service, it can legally be removed as a "cost" from the Town budget by creating a separate Fund, allowing the cost amount (of

taxes) to be used for other Town purposes within the general budget. Enterprise accounting allows the Town to demonstrate to the public the portions of total costs of a service that is recovered through user charges and, if any, the portion that is subsidized by tax levy of other available funds. A community may choose to recover total services costs through user charges, but is not required to.

The Enterprise Fund's annual budget (avg. \$125,000) represents less than 1.4% of the Town's annual budget.

Between FY07 and FY10, three different funding models have been used for the enterprise fund, making year-to-year comparison difficult:

FY07-08 – All households were responsible for purchasing transfer station stickers (\$84 for FY07, \$104 for FY08 – up to three additional stickers could be obtained free). Those who could show that they used private haulers or some other method of disposal could apply for a 75% rebate. This resulted in enforcement difficulties and much administrative time spent.

FY09 – Sticker purchase was only required of residents who wanted to use the transfer station, subscription to be on a voluntary basis. Since there was no administrative enforcement in effect, and the sticker cost went up 20% (\$129 – up to three additional stickers could still be obtained free), it is believed that some households may have chosen to “double up” on a sticker. The number of stickers sold went down, and despite the price increase revenue went down as well. Yet the amount of trash generated stayed the same.

FY10 – Any household unable to show a legal method of disposal is required to purchase a sticker (\$193, another increase of 50% over FY09). In spite of the high price, more households have purchased stickers than in FY09 – 842 households as of October, not counting recycling stickers (\$30) or 2nd stickers (which now cost \$10).

What has come into focus is that the methodology used for FY10 budgeting of the Enterprise Fund (costs/revenues) does not seem to be based on any historical record or realistic expectation. To illustrate this point, we have provided below a brief summary of the FY10 budget with probable costs and revenues (based on an evaluation of EF figures from 2007 through 2009). What it shows is that erroneous low turnout expectation combined with inflated cost assessments resulted in Transfer Station users being significantly overcharged for FY10.

FY10 Budget Actual vs. Probable Costs (not including “attributed” costs such as administrative, snow plowing, etc.)

<u>Line Category</u>	<u>Budgeted FY10</u>	<u>Probable FY10</u>	<u>FY09 Actual</u>
Wages	\$35,000	\$35,000	\$34,296
Utilities	\$3,000	\$3,000	\$3,007
Building Repairs/Maint.	\$3,000	\$500	\$70
Equipment Maint.	\$3,000	\$2,400	\$2,273

Portalet Rental	\$1,000	\$1,000	\$900
Pest Control	\$500	\$500	\$478
Tipping Charges	\$70,000	\$60,000	\$57,066
Recycling Disposal*	\$21,000	\$0	(\$26)
Hazardous Waste Disposal	\$4,000	\$6,000	\$6,158
Bulky Waste Disposal	\$7,000	\$3,000	\$2,600
Off. Supplies/Sticker Print.	\$4,500	\$2,000	\$1,383
Subtotal	\$152,000	\$113,400	\$108,205
Sticker Revenue (to date)	\$155,707	\$155,707	\$107,478
Surplus	\$3,707	\$42,307	(\$727)

*Recycling disposal is budgeted, but recycling revenue is not accounted for in that process; so it is not an “actual” cost but a budgetary cost. Massachusetts General Law (44: 53F1/2) requires that an Enterprise Fund budget include estimated income. Recycling revenue has often equaled or exceeded disposal cost, though not always as prices fluctuate.

Part of the reason for the cost inflation is arcane State regulations, along with the peculiar exigencies of the Enterprise Fund, each placing limitations on how and when monies are allocated (and can be expended) by the Town. The Administration feels it necessary to budget for a worst case scenario. If as a result of under budgeting the Enterprise Fund were to run out of money in March, we were told, it would have to close until the next fiscal year. We think this might be overstated. A General Fund loan for operating losses may be provided (and subsequently reimbursed by future surpluses).

Surplus funds, or revenue in excess of cost, are required by State regulation to stay within the Enterprise Fund, except as stated above. In the past, working around this requirement, the Town has charged the EF \$20,000+ annually in administrative and other costs, like snow plowing. That revenue, rather than being allocated to specific costs incurred by the Town, goes into the General Funds, we are told, to be used in any way the town sees fit. Since this Town revenue is in excess of the Prop 2 ½ levy limit, the Town has additional funds to expend for other purposes. While this may be a good thing, and is technically allowed by statute, it could be perceived as representing an additional tax (by another name) on Transfer Station users. (*See Coakley-River v. City of Springfield, Nov. 2006.*) No other public entity of the Town (police department, library) is charged any such fees. Further, it has been established in our meetings, no record is kept of any “actual” costs to the Town as a result of operating the Transfer Station, and the charges are estimated; no invoiced documentation exists.

In FY07, \$165,440 was budgeted while actual costs expended were \$119,751.
 In FY08, \$158,590 was budgeted while actual costs expended were \$126,030.
 In FY09, \$160,200 was budgeted while actual costs expended were \$120,831.

In each of these years income exceeded costs; in some cases significantly.

In FY07, the Town charged the EF \$23,540 in undocumented expenses.
 In FY08, the Town charged the EF \$22,190 in undocumented expenses.

In FY09, the Town charged the EF \$21,100 in undocumented expenses.

In FY10, the Town decided not to charge the EF at all, lending an even more capricious nature to the charges.

These administrative charges represent monies that only Transfer Station users have been charged, but that will be used for other Town purposes benefiting users and non-users alike. If there were a mechanism for refunding surplus funds to users, such overcharging might be acceptable. But we are told that direct refund to users is not an administrative possibility.

If not for these charges, the EF would currently hold a surplus of \$81,830. After FY10, this overage would have exceeded \$100,000. (Currently the EF holds \$15,000 according to the Administration, though there may be more that has yet to be certified by the State. If costs hold true to our estimates based on past years, an additional surplus of \$25,000+ will be accrued in FY10.)

RECOMMENDATIONS:

- a. The Task Force recommends that existing surplus be held in the fund to be used, as needed, for one-time capital expenditures, as it should be. This is allowed under Massachusetts General Law.
- b. Specifically, we recommend that the Town formally abandon the practice of charging the EF for unaccountable services. This will help keep the EF's budget at a reasonable cost level and assure that more than 50% of Sheffield households are not being unfairly surcharged.
- c. We recommend that the Administration and the Finance Committee be limited to basing their future-year budget recommendations on an average of the prior three years actual expenditures, not to include Town charges or one-time capital expenditures; or, at worst that it be based on the highest of the prior three years actual expenditures, not to include Town charges or one-time capital expenditures.
- d. With modification as discussed above (items a through c), the Task Force believes that the Enterprise system should be maintained. Abandoning the EF was considered, but rejected as an option by the Task Force. However, it remains an option, and the Town might at some point consider abandoning the Enterprise system and bringing the Transfer Station back into the Town Budget. The accounting would be simpler, the costs lower, and the need for over-budgeting eliminated, since general funds could be used for any emergent need. (The Prop 2/12 increase for FY11 would more than cover the <1.4% of budget cost of the Transfer Station if other Town costs can be kept to little above zero growth, especially since the budgeted levy amount for the Transfer Station need only include, by law, the difference, if any, between budgeted costs and anticipated income.)

- III. Research systems of paying for solid waste disposal, which are fair, equitable, usage-based, and support/encourage recycling. Your research should include an analysis of fixed-price, PAYT, weight-based, and/or other systems as appropriate. Recommendations should be based on the pluses and minuses of each examined system as well as implementation and operational considerations.**

Fixed-Price System

One option the Task Force considered was retaining the current fixed-price sticker program as is. Doing so has both advantages and disadvantages. Retaining a “pure” sticker program means users do not have to become accustomed to a new way of paying for waste disposal – the education process for this option would be much simpler. While there have been significant increases in the cost of a sticker during the past several years, FY10 data show that the Enterprise Fund is collecting far more than enough to cover expenses, so there may be no need for future increases. And if the Board enacts our budgetary recommendations, it is likely that FY11 sticker prices will even decrease. In short, the current system is not demonstrably “broken,” so there is no pressing need to “fix” it.

In addition, it is apparent that some Sheffield residents may be disposing of trash at the Transfer Station without paying for a sticker. FY10 sticker sales information reveals that a little over 50% of Sheffield households purchased stickers while approximately 20% of Sheffield residential property owners elected to employ one of the several private haulers licensed to pick up trash in this town. An additional 5-6% may have some other legally acceptable means for their trash disposal. There remains a group of approximately 20% of Sheffield households who have not responded to inquiries concerning their trash disposal. It is likely that additional sticker purchases may be realized from this source.

The Task Force is aware of credible accounts indicating that trash is being disposed of by *ad hoc* waste haulers from some households which have not purchased a sticker. Greater efforts to enforce appropriate usage of the Transfer Station (either by Transfer Station staff or the Town itself under Article II, Sections 176-6 and 176-8, or both) may increase sticker sales, leading to a further decrease in the price of a sticker. More importantly, a marketing/education campaign, combined with the installation of a simple and inexpensive monitoring device (webcam?), could be very effective in reducing abuses. (See attachments 2 and 3.)

Operationally, a fixed-rate sticker-only scheme is easiest and fastest since transfer station employees need not examine bags or weigh bags which are used for disposal. This leads to better traffic flow and greater efficiency. Additionally, the station’s employees have more time to assist, educate, and advise users as to recycling.

Retaining the current program fails to account for variations among users in the amount of waste they deliver to the Transfer Station, which some might consider unfair. To the extent that one believes that “consumption” of waste services should affect the amount paid for those services, the current system falls short. However, the flat fee does protect

low-income households with large families and the reduced sticker price for senior citizens (who are more likely to live in one- or two-resident households) ameliorates this problem to a degree. There are likely others who produce less waste who must pay for the full-priced sticker, but during the May/June bag controversy, it must be noted, the Town received many letters from low-usage residents expressing a willingness to pay a higher sticker price to protect the least among us – the very definition of community.

In an extreme case, it might be necessary for the Town to provide supplemental funding if the Enterprise Fund runs out of cash, perhaps as a General Funds loan to be repaid from Transfer Station surplus as allowed. This is unlikely considering the Enterprise Fund's not inconsiderable existing reserve.

Pay as You Throw System (PAYT)

PAYT is a method of paying for waste disposal by charging the disposer by some unit of measurement, instead of a flat fee, for disposal without regard to the amount disposed of (as Sheffield's current system provides). The Task Force considered two such methods: a **per-bag charge** and a **per unit-of-weight charge**, and briefly discussed a third method: a **per container charge** using no bags or stickers. Each has pros and cons.

1. A **per-bag system** involves the sale of specific sized plastic bags to users of the Transfer Station. The price of the bag would be set so as to recover the **total** cost of managing the Transfer Station. Bags are available from a state contractor and would be distributed by Town officials to local retail outlets (in Sheffield and, possibly, in neighboring towns) for sale to consumers. Bags would be marked in a unique and easily viewed way, so that attendants at the Transfer Station would be able to enforce easily the prohibition on disposal of any other bags. In order to accommodate the range of needs of consumers, different sized bags could be sold at different prices.

This system carries the advantage of requiring the consumer of waste disposal services to pay for the cost of managing his/her wastes **only**. The more wastes disposed of, the more the individual pays. But that also means that the more persons in a household, the more that household will pay. In addition, providing for different sized bags would allow some citizens who generate little trash to pay even less. (In this regard, the Task Force considered whether it might be possible to sell only large bags. The person who creates only small amounts of waste could simply wait until a bag was full before bringing it to the Transfer Station. But the Task Force ultimately concluded this might pose an unfair burden on this person, especially during the summer months, when the long wait might lead to an odor problem.)

The PAYT system seems to offer relative ease of enforcement, and eliminates any incentive for *ad hoc* waste haulers to use the Transfer Station as a means of disposing of multiple families' waste. However, interviews with people who run similarly-sized transfer stations, notably in towns on Martha's Vineyard, who tried and abandoned the bag system, indicate that too many people were showing up with excuses like their bag broke (they are made thin presumably to avoid over-stuffing), the store was closed or was

out of bags, or they forgot to pick up bags on their last trip to town. Transfer station staff, when confronted with the difficulty of turning neighbors away, simply looked the other way time and time again.

It seems logical that a PAYT program would increase recycling rates, since it would be in the consumer's interests to put as much as possible into recycling. However our research into the recycling patterns of similarly-sized Massachusetts towns currently using the PAYT system does not support the theory. While there is typically a "bounce" in recycling rates early on, it has often proved unsustainable as people become accustomed to a system and fall back into old patterns. Williamstown Transfer Station, which in most respects is similar to our own, though larger, says they've seen an inexplicable decline in recycling rates there. (See chart below. Information on recycling rates for every MA town and city back to 1997 is available for review on request.)

**PAYT REPORT
2000-2008***

POPULATION	TOWN	YEAR PAYT BEGAN	FY2000	FY2008	% CHANGE IN RECYCLING RATE
5,328	Barre	FY05	30	33	3
1,900	Becket	NOT AVAIL.	46	28	-18
2,157	Bernardston	FY94	46	42	-4
4,929	Bolton	FY00	52	52	0
3,200	Brookfield	FY98	48	14	-34
1,998	Buckland	FY94	49	50	1
1,391	Charlemont	FY91	38	52	14
3,400	Cheshire	FY90	37	37	0
4,750	Deerfield	FY97	36	32	-4
6,175	Dighton	FY95	44	31	-13
	East				
2,143	Brookfield	FY01	21	30	9
1,383	Gill	FY92	52	53	1
7,700	Halifax	FY92	49	49	0
8,374	Hamilton	FY08	22	37	15
2,174	Huntington	FY79	36	34	-2
5,575	Manchester	FY91	34	32	-2
	North				
4,691	Brookfield	FY97	42	32	-10
2,951	Northfield	FY05	43	47	4
4,083	Oak Bluffs	FY90	24	27	3
2,050	Shelburne	FY90	44	30	-14
3,787	Sunderland	FY08	44	49	5
2,467	West Tisbury	FY89	28	22	-6
8,424	Williamstown	FY91	59	29	-30
3,334	SHEFFIELD	NOT BEGUN	31	34	3

* The choice of the years 2000 and 2008 is arbitrary. It is meant as an attempt to discern trends among similarly sized towns over a specific period of time, up to the most recent date available; it is not meant to be definitive

since all towns did not begin PAYT in the same year. Records only go back to 1997, but we found that no matter what years we chose for examination, the disparities were equally great on average and no upward trend in recycling rates could be observed.

PAYT has other disadvantages. As mentioned earlier, large families with limited incomes may find their total costs of disposal going up in comparison to the current system. The Task Force discussed possible ways to address this concern (lower prices for the first few bags sold in a given period, subsidies for persons/families who apply and demonstrate need), but all involve additional bureaucratic complications. If the amount paid is independent of weight, some persons may try to put more than the assumed average of 20-30 pounds per bag. Additionally, estimating the numbers of bags that need to be sold to match the costs of managing the wastes received by the Transfer Station may be very difficult.

Interviews with other towns (again, Williamstown comes to mind, as well as our neighbor to the north Great Barrington) indicate that adoption of PAYT has uniformly resulted in an initial drop-off in users, which eventually stabilizes. If adopting a PAYT system results in the loss of significant numbers of users, the revenues from the remaining users of the Transfer Station may be too low to cover expenses, and cost to remaining users will have to rise in subsequent years. Conversely (although less likely), setting a price that is too high could result in unduly large surpluses being accumulated. This problem arises because the revenue from the sale of bags will be covering both variable costs (e.g., the charges for disposal at a landfill or incinerator) as well as fixed costs (e.g., the wages paid to Transfer Station employees). One suggested solution would be to keep a sharp eye on revenues vs. expenses and adjust the prices of bags as needed. But we believe this could introduce some confusion and frustration into the program: someone buying bags at \$3 each one week might not want to learn that they cost \$2.50 the next week.

It is also possible that a PAYT system may result in part-time residents paying less than their current share of disposal costs. Eliminating an annual sticker fee (which applies regardless of the amount of trash disposed of) will mean that such residents will likely pay less because they dispose of less over the course of a year. The per-bag cost will be greater. It can be argued that part-time residents should pay less, if they “consume” less. But, part-time residents pay the same taxes to the Town as full-time residents, even though they often use fewer Town resources than full-time residents do.

The Task Force has other concerns with the PAYT concept. Bag vendors need to be recruited; there is some anecdotal evidence that some customers of local businesses have suggested they would cease doing business with any vendor selling bags. More generally, some local vendors may seek to be compensated for selling bags. In addition, unless the Town expects the vendors to pay in advance for bags, there is some risk that vendors may not remit funds from bag sales, or will do so late. It is also possible that more residents will respond to PAYT by simply throwing their trash on the side of the road, rather than buy bags, although there is little evidence of that occurring elsewhere. Finally, it is possible under a strict PAYT for non-residents to purchase bags and dispose of their

wastes at the Transfer Station. If the per-bag price covers the marginal cost of managing a bag of waste, this issue may not be overly problematic, but it will not cover fixed costs.

2. An alternative to the per-bag PAYT system is **PAYT based solely on weight**. (Though this was rejected as an option for consideration by the Task Force, we feel obliged to present it.) In short, each user of the Transfer Station would pay for disposal on the basis of how much their trash weighs. A per unit-of-weight PAYT program has some of the same advantages of the PAYT bag system, and many of the disadvantages. It also charges for disposal on the basis of specific use and eliminates any incentive for the “bag stuffer.” Residents would not need to buy bags from local vendors (meaning the Town wouldn’t have to buy bags and supply them either), but could use any containers they wanted. The small waste generator would not have to wait until his/her bag was full to get rid of wastes.

But the weight program has disadvantages. Low income, high usage families may still pay more than under the current program. The Transfer Station would have to install scales, an unbudgeted capital expense. If the weigh station breaks down, it is uncertain what alternative system could be used while repairs are effected. Weighing trash will likely be time-consuming. (The Task Force has anecdotal evidence that using the Transfer Station now can take what some perceive to be an inordinate length of time; having to weigh each bag will add to those delays.) In addition, the Town would have to set up some method of enabling users to pay for disposal of given weights of trash - prepaid tickets seem to be the best alternative. As with a bag system, the Town will have to estimate an appropriate per-pound price that will recoup expenses. Many of the uncertainties of the per-bag system will apply to a per-weight program.

3. A **per-container system**, though only briefly discussed, is one that operates on a cash basis per container (large or small can or privately-bought bag), but operates in similar ways to the per-bag system, except it eliminates the need for the Town or re-sellers to purchase or supply bags. Given the strong objections we have seen in Sheffield to the bag program, it is worth considering if any PAYT variation is adopted. In conversations with other transfer stations where this has been successfully implemented (particularly ones that have tried and abandoned the bag system), there does not appear to be any problem with graft or stealing. Regular checks are made on the ratio of receipts to tipping charges for specific periods.

In our technological age, installing a simple computer with a webcam and a programmable database would allow Town officials with an access code to monitor both the camera and the database in “real time” from any computer. (See attachment 2.) Installation of such a system is incredibly cheap, easy to do, easy to access, and virtually maintenance-free; and, as mentioned earlier, would give Transfer Station staff the rational they need to turn away potential abusers: the camera. The camera could be positioned so that it will capture a view of any vehicle approaching the kiosk and at the same time anyone putting bags into the solid waste container.

4. The Task Force has also considered a **combination of any PAYT system with stickers**. Under such a combination, the per unit cost (can, weight, or bag) could be set to cover variable costs (primarily the cost of disposing of trash), while sticker price would cover fixed costs. One consequence would be, of course, that the per-unit price would be lower than under the “pure” PAYT program. The advantage of the combination is in allowing easier and more accurate estimates of prices. The Town will still have to estimate the number of sticker purchasers in order to know how to price those stickers. But the variable cost factor is much less problematic, as the number of bags (or pounds) of trash will track the variable costs of disposal. Put another way, if the Town sells fewer bags, it will be receiving less waste, for which disposal will be less expensive. In short, pricing estimates will be less uncertain.

Some of the previously mentioned advantages and disadvantages of PAYT will still apply to this combined system, to one degree or another. Persons who generate less waste would, under this option, now pay more per unit of waste disposed of than those who throw away more waste, as sticker fees would be uniform; but the PAYT component could ease that disparity. The impact of PAYT on lower income families will consequently be less. The incentive for the disguised “private hauler” to dispose of wastes from unrelated families will still remain, albeit less so.

RECOMMENDATIONS:

- a. In our final meeting, none of these options could garner a majority vote. Retaining the current fixed-price system received 4 votes (of 8); PAYT received 3 votes (of 8).
- b. The Administration should, in any event, initiate telephone contact with the remaining non-responders, and obtain proper documentation of exempt status, as a matter of policy.
- c. If a PAYT system is adopted, there is a need to realistically price the unit charge so that coverage of fixed costs can be reasonably accounted for.
- d. If a PAYT + sticker system is chosen, then the sticker price should be such that fixed costs are satisfied more or less by the sticker price.
- e. Regardless of the funding mechanism adopted by the Board, the Task Force believes it is essential to install some monitoring system, create a significant educational/marketing campaign, and take other steps to prevent abuses.

IV. Examine and research the Town’s recycling efforts as well as those of other communities, and make recommendations on how the Town’s efforts can be improved.

In its deliberations, the Task Force discovered that its own members were unaware of steps they personally could take to increase recycling and reduce costs. Two examples: Unlike solid waste, the cost to the Town of transporting recyclables is dependent on the volume of such materials carried, not on weight. Therefore, it is in residents’ interests to reduce that volume for certain types of materials. For example, plastic jugs can be

“squashed” flat and thus take up less room. A Task Force member’s recent visit to the Transfer Station showed that well over half of the gallon milk jugs in the recyclables bin were not flattened.

However, as another Task Force member learned only during our meetings, other recyclables, such as glass containers, should **not** be broken to reduce volume, as doing so may increase “breakage cost.” Rather, they should be disposed of **intact**, with caps in place.

Though not fully discussed, the Task Force believes that a significant educational and marketing campaign directed at Transfer Station users could be very effective in increasing recycling rates. This must go well beyond “mailers” or postings on the Town’s website or notices on the Town Hall bulletin board. There are cheaper and more effective ways to educate. The Board should avail itself of the not-insignificant marketing talent in town to devise an effective campaign.

Posters in front of the Transfer Station kiosk that indicate Dumping is Stealing (See attachment 3), implementing a fine system (enforceable or not it will be a deterrent), notice of “Random Bag Checks” (enforced or not, the very idea is a deterrent to homeowners), and notice that camera surveillance is in operation could all help to curb abuses. Educate and recruit Transfer Station users in reporting abuses in the interest of the community. Additionally, we feel sure that the Springfield Merf would allow large-scale reproductions (posters) of their very effective graphic *Yes/Yes/No* campaign. (See attachments 4, 5, and 6.) These could be posted in the recycling area at appropriate bins.

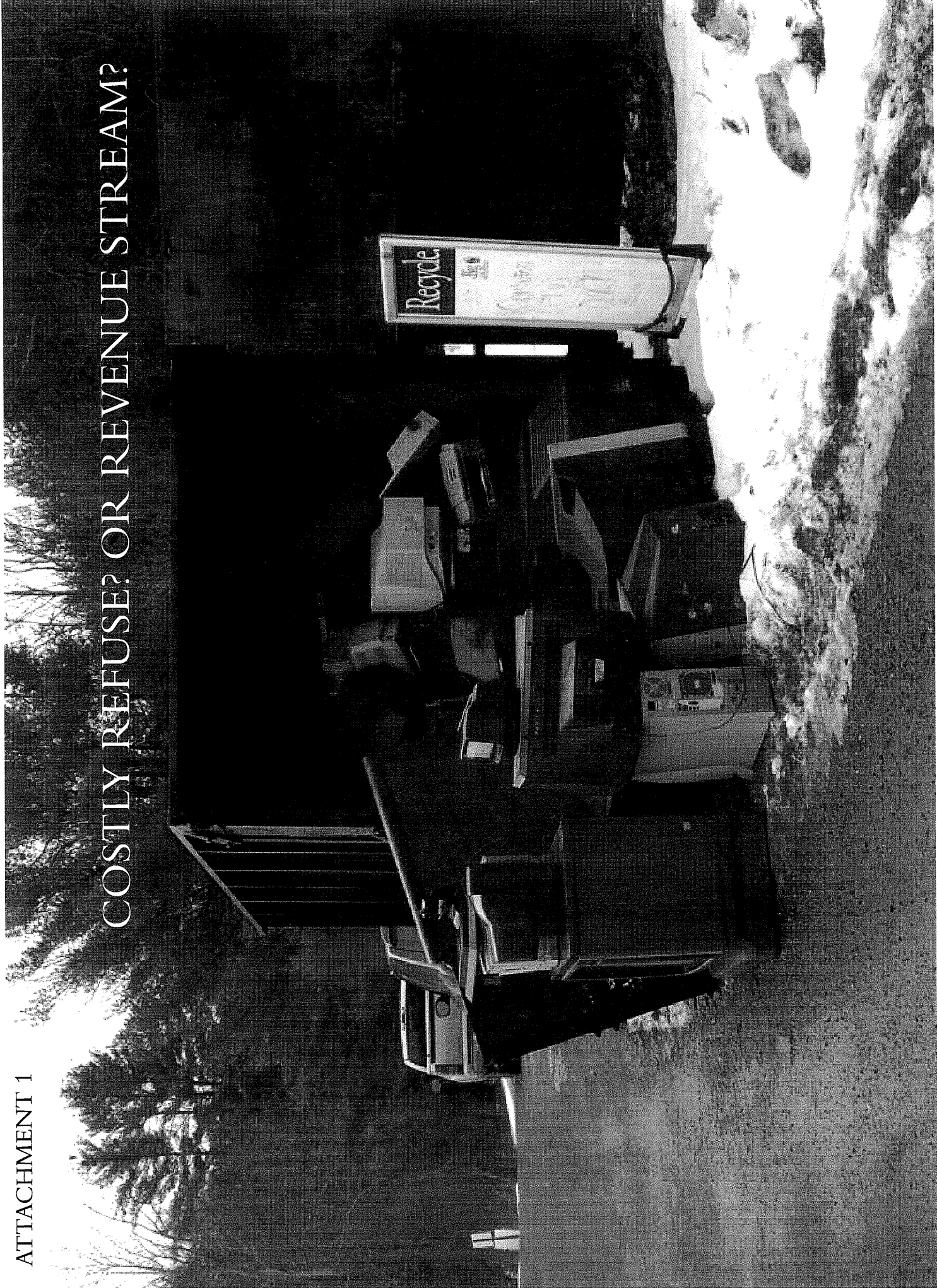
In making people aware that recycling correctly will lower Transfer Station fees for everyone in the future, and giving users “ownership” of the process, it could become civic duty to correct other users who recycle improperly.

Similarly, letting users know that Kiwanis’ effort with regard to refundable items (instead of just dumping all cans and bottles into the bin) a) lowers their sticker costs in the future, and b) helps Sheffield school children with scholarship tuition. We do not believe many people are aware of this effort or Kiwanis’ beneficence. Given the pending bottle bill before the Massachusetts Legislature, however, and the potential it holds for significant future refundable revenue to the EF, this practice may need to be revisited in the interest of budgetary fairness.

Respectfully submitted,

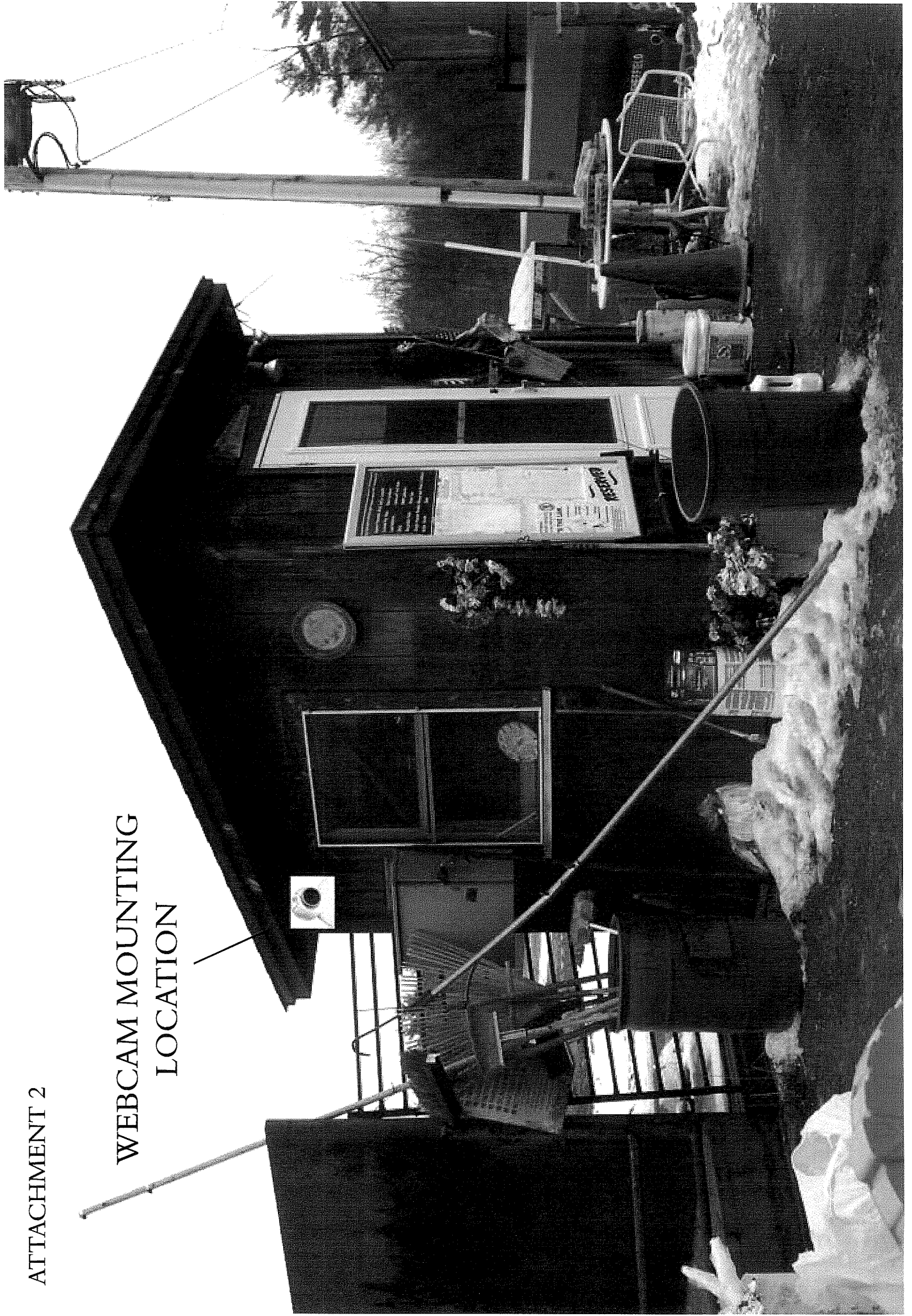
Marcia Friedman
Fred Panitz, MD
Ted Pitman
Peter Stiglin

COSTLY REFUSE? OR REVENUE STREAM?



ATTACHMENT 2

WEBCAM MOUNTING
LOCATION



ILLEGAL DUMPING IS STEALING FROM YOUR NEIGHBORS



When you use this transfer station to dispose of trash belonging to people who have not purchased a sticker, the cost of disposing of that trash is passed along to those who have. Their sticker fees next year will rise as a result. That's stealing.

If you see someone you suspect of illegal dumping in large amounts, take a cell phone picture, get the plate number, and send them to the Town Administrator at jkellogg@sheffieldma.gov.

First Offense \$500 Fine

Second Offense \$1,000 Fine

Surveillance Camera in Operation

Yes

please recycle these papers:



Clean papers, cardboard, shredded paper, greeting cards and wrapping paper (no foils or metallics), paperback and phonebooks with covers
paper clips, staples and metal spirals are ok

Yes

please recycle these containers:

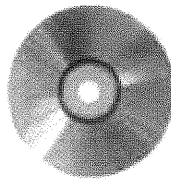


Metal cans, foil, milk and juice cartons, glass bottles
and jars, plastic bottles, jars, tubs and jugs
labels are ok

No thanks*



clamshells



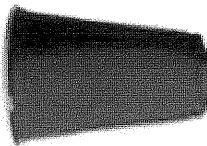
cds



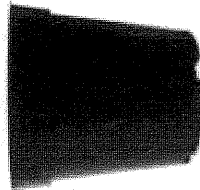
plastic utensils



plastic trays



plastic
cups



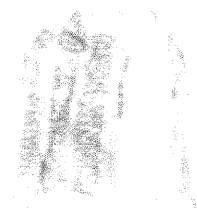
flower pots



light bulbs



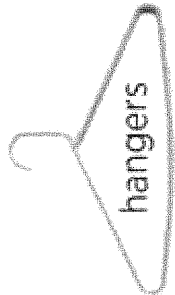
eye glasses



plastic bags



molded plastic



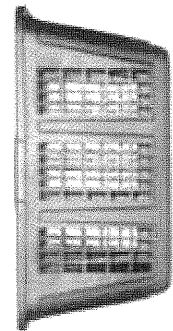
hangers



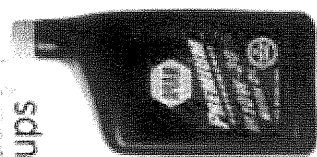
Styro-
foam



metal
objects



plastics over
2.5 gallons



motor oil/
anti-freeze bottles

TOWN OF SHEFFIELD
SOLID WASTE TASK FORCE
REPORT THREE
Written by Bart Elsbach

January, 2010

January, 2010 Report on the Option of a Single Hauler
Unit Based Town Trash Management system

As a town resident and member of the Solid waste task force (SWTF), I respectfully submit the following for your review. This submission is in the form of a separate "minority report" and, as such, represents my views but not necessarily those of any other members of the SWTF or the SWTF as a whole. The entire SWTF reviewed this report and I received no additions or comments.

The issue of trash disposal is a weighty and complex one for Sheffield and for our world. For years we have been living as if our personal choices have little effect on other people, our environment and future generations. Gradually this luxury has and will continue to disappear.

One study found that in the city of Mesa, N.M an average of. 2.5 tons of waste was picked up from each household annually*. This is a staggering volume of waste for a typical American community.

It is our expectation that our trash will disappear as we generate it with minimal inconvenience and cost. But as communities look more closely at the realities of managing their waste streams, much of what we all suspect, and what we were taught as children, has been verified. Hauling and processing of recycling and trash, uses energy and is expensive and affects our environment. Every action has an effect. If we reduce our consumption we reduce our negative affect on the environment and help people near and far. If we choose not to recycle it costs our town and our neighbors because the cost of the system goes up. Although recycling is a vast improvement, it too costs money, uses resources and pollutes.

Until we cut our consumption and waste dramatically, the issues facing Sheffield and every other town with regard to waste disposal will only grow.

The SWTF focused on two strategies for the town: keeping our present system with some modification or switching to a unit based method of disposal (popularly referred to as PAYT or "pay as you throw"). These options both utilize the present transfer station in different ways and are discussed in more length in the committee's report.

There is a variation of those waste removal systems which is in use in many places and may be worth considering: contracting with a single hauler. Any of the options we looked at have strengths and weaknesses and I will describe those here for a single hauler unit based system.

The system would work as follows: the town would act as a negotiator for its citizens and put out for bid the waste removal contract for the town. The hauler with the lowest bid would win the contract and the right, and responsibility, to pick up trash and recyclables from every participating household at fixed rates. The transfer station would be run by the town or hauler as stipulated in the contract. People can still opt out of the system but they must continue, as now, to verify how their trash is removed.

Because the town is negotiating for a large pool of customers, they have a good deal of clout. Because the hauler has an exclusive right to operate in Sheffield it will be very motivated to win the contract which puts the town in a good negotiating position.

January, 2010

Estimates have been made by Mass. DEP that generally the cost is about half of the existing hauler rate which would put single family households at about \$18.00 per month in Sheffield.

One possible set up would be for the transfer station to stay open so that people could go there for recycling, bulky waste, swap shop, and to throw away waste using a unit based system. But the bulk of the trash disposal is through the hauler who has the contract with the town.

The town can stipulate certain features of the contract which would be of benefit to the citizens, the environment and the town itself.

Here are some stipulations that the town MAY want to include in the contract:

- Household contracts must be flexible with regard to volume. For example: customers can choose a maximum, medium or minimum volume program so a single person who generates little trash does not need to pay as much as high volume users.
- I. Sheffield has experience negotiating such contracts and has done it successfully. The town is about to renegotiate its hauler contracts anyway.
 - II. The length of the contract should maximize benefits and flexibility. One concern for this system is that if a hauler is able to monopolize the area, there are fewer bidders to compete. By keeping the contract term short, other bidders know they can bid again soon and the winner knows that if the service is not good, they will lose the contract quickly. A term of 3 years would give the hauler ample time to set up and make a profit. If there is a breach of contract the town could take appropriate action..
 - III. The hauler must provide unlimited recycling capacity to each household.
 - IV. Protections would be put into place for the hauler with regard to other haulers pursuing Sheffield customers with special sign up deals.
 - V. The town might determine that the transfer station should stay open. It could then stipulate that the hauler run the transfer station as part of the contract and that they be able to make use of the facility for aspects of its operation. Or the town could scale down and continue to manage the transfer station to augment the hauler's effort.

Advantages gained by this approach:

- I. No unfair distribution issues. Households pay for the amount of trash they generate. No one is subsidizing the system and everyone pays less because the system is more efficient and nearly everyone participates.
- II. Group contract means lower cost to participating households. Where this system is used, the annual cost per household is generally half the non-negotiated hauler fee.

- III. Convenience for people who don't drive or who work hours that make it difficult to get to the transfer station now or who have a hard time lifting things.
- IV. There can be premium contracts for pick up at your door instead of curbside.
- V. Hundreds of trips per week to and from the transfer station by individuals are eliminated and combined into a single truck route (plus a route for a recycling truck perhaps).
- VI. No need for plastic bags to be purchased or used. No need for plastic bags to be managed by the town.
- VII. Reduced surprise costs to the town (which means the town's people) so there is less need for stockpiling funds to cover possible capital costs at some future time.
- VIII. Virtually no administrative costs compared to running the transfer station. Frees up town employees for other work.
- IX. Flexible. At end of each contract adjustments can be made.
- X. The town can make an important impact by assuring that recycling takes place in a good way on a large scale and encouraging a more efficient pick up/delivery system. The hauler would be required to recycle according to DEP and town regulations.
- XI. Potential for creativity. For example: additional recycling bins could be placed at central locations for weekly pick up by the hauler. This would provide convenient 24/7 service to households and efficient pick up for the hauler.
- XII. Greater recycling rates. There is greater control over recycling behavior with a hauler picking up at each household. Unit based disposal encourages minimizing trash. Although the environment was not on the task force's agenda, all members of the task force are in favor of recycling and agree that it is good for our town and can be seen as a responsibility to our larger community and it may be of interest to some households in town.
- XIII. No more concerns about "unlicensed haulers" or other abuses of the present system. The enforcement issues which many have complained of are resolved or minimized.
- XIV. Less administrative costs, no mailing notices and collection issues and issues of sticker logistics like policing the transfer station, dealing with "sticker shock", predicting usage, budgeting for worst case scenarios, compiling data from past usage and trying to foresee future usage etc.
- XV. More efficient use of garbage trucks means less truck traffic and less fuel use.

At present one company's truck might drive down a street on Monday to a customer. The next day another company drives down the same street to pick up next door. With a single hauler, one truck would drive down the street and pick up at each house in the most efficient order.

January, 2010

- XVI. The town could keep the transfer station open and contract for the hauler to use it if it was deemed desirable. This could provide an additional incentive for the haulers who bid on the contract. Or the town could keep the transfer station open and run it on a smaller scale while still including bulky waste days, special item (electronics) drop off, swap shop etc
- XVII. If the town decided there was a more beneficial use for the land on Barnum st. it could make that change
- XVIII. The transfer station can remain open without the pressures and burdens which now threaten it. It could be run by the hauler or the town. It could have a trash service that was run by the hauler. All or any part of that or any variations could be included in the contract.

Here are some potential disadvantages:

- I. If a hauler gains a monopoly in the area they would have the upper hand in contract negotiations. However, trash hauling has remained a fairly competitive business and indications are that there is an increasing revenue stream in this market. Keeping the contract term to three years would diminish this concern.
- II. There are a few roads in town that are muddy or icy and at times difficult to access. This could be inconvenient for households if they had to drive their waste at those times or for the hauler if they had to pick up during muddy days. Some flexibility might be needed in such cases.
- III. Some people are emotionally attached to the transfer station and would miss going there if the town decided they wanted to close it: But closing it is not necessary with this plan.
- IV. Outside haulers might try to erode the customer base with predatory price deflation. Protections could be put in place to minimize that possibility. The savings in the town plan would result in most households choosing that plan.
- V. Weekend residents might have to make arrangements so that their bins don't sit out too long after pick up.

There were 106 communities in Mass that had adopted a version of unit based pricing and across the country 6000 according to the Mass DEP as of its writing its guide for solid waste programs in 1/04. The EPA and DEP have compelling figures and projections about reductions in cost, increases in recycling rates (44% with unit based vs. 31% without), and positive effects on pollution and global warming in this and other guides and reports**. But these are at best preliminary and only time will tell how the solid waste dilemma plays out in our State.

There is no silver bullet for the problem of dealing with our waste as a town or as a society. The only thing that really helps is reducing the amount of

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waste we generate, which means changing our attitudes, which is very hard to do. If we do not have to or want to consume less and recycle, we believe we should not have to, even if it is expensive for the town and costly in many other ways.

Some on the Solid Waste Task Force felt the committee should come up with a single recommendation. I felt it would serve the select board well to present them with as many useful options as were warranted for review. I, therefore, submit this for your consideration. I wish the Select board luck in pointing our town in the right direction.

The Solid Waste Task Force was made up of volunteers and helped by two paid town employees. They have given their time to this effort as a gesture of good will to the town because they believe working together on this important issue is our best hope for a good outcome.

Over 40 years ago I started going to the dump with my father and I now take my children to the transfer station a couple of times a month. If the selectboard decides to continue the system we have, my family will happily continue to use the facility. But if the citizens want a reasonable and more predictable cost and the town wants an efficient, low demand system for dealing with our waste with environmental benefits, I think the single hauler system is worth looking into.

Respectfully submitted,

Bart Elsbach

References:

**Pay-As-You-Throw An implementation Guide for solid waste unit based pricing programs January 2004.

**Ashland waste reduction Program, Ashland DPW. Ashland, Mass

*Albuquerque Official city website